

Daily Financial Market Update

AICO CAPITAL
www.aicocapital.com

f t in @ /aicocapitalng

MARKET COMMENTARY

Money Market

System liquidity remained robust at ₦812.76 billion compared to ₦812.76 billion recorded last Friday. Consequently, the Open Repo Rate (OPR) and the Overnight Rate (O/N) plunged by 720bps and 640bps to 7.05%, and 8.50%, respectively.

Outlook: We expect the interbank rates to remain at similar levels tomorrow.

Treasury Bills

The treasury bills witnessed ample demand across the entire curve with very few offers to match the available bids. Notably, buying interests were seen on March to December 2024 papers. As a result, the average mid-rate decline by 91bps to settle at 5.76%.

Outlook: We expect the bullish sentiment to linger tomorrow.

FGN Bonds

Similarly, the FGN local bonds market closed today's session on a bullish note, given the buy-side interests across several papers, including the 2026, 2038, 2042 and 2053 maturities. Overall, the average mid-yield fell by c.36bps to settle at 14.07%.

Outlook: We expect tomorrow's session to stay bullish.

Eurobonds

The Eurobonds market suffered some selloffs today, as market continues to react to uncertainties as regards the precise time the US Fed will pivot and commence rate cuts. Consequently, the Nigerian curve witnessed average mid-yield increased by 16bps to settle at 10.20%.

Outlook: We expect the bearish theme to persist.

Date	Sys. Liq. (₦bn)	Diff.
8-Jan-24	812.76	↓(50.07)
5-Jan-24	862.82	

Source: CBN

AiCO Money Market Fund (AMMF)

(As of 29th December 2023)	14.1559%
Added Benefit	Personal accident insurance cover

Macro Indicators

GDP (Q3 2023)	+2.54% (Q2: 2023 +2.51% y/y)
Inflation (November'2023)	28.20% (Oct'23: 27.33%)
External Reserve (US\$'billion)	33.04 (-10.90% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*78.17 (-0.10% d/d)

Source: NBS, CBN, AiCO Capital

Benchmark T-Bills Discount Rates			
	08-Jan-24	05-Jan-24	Change in Rates
63 days	2.91%	2.91%	(0.00%)
154 days	5.43%	5.43%	(0.00%)
308 days	10.21%	10.21%	(0.00%)

Source: FMDQ DQL for 08 January 2024

Benchmark FGN Bond Yields			
	08-Jan-24	05-Jan-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	13.03%	13.03%	(0.00%)
10 yrs: 12.50% 27-Apr-2032	14.05%	14.20%	+0.15%
20 yrs: 13.00% 21-Jan-2042	15.30%	15.30%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	15.81%	15.81%	(0.00%)

Source: FMDQ DQL for 08 January 2024

Benchmark FGN Eurobond Yields			
	08-Jan-24	05-Jan-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.89%	9.55%	(0.34%)
10 yrs: NGERIA 7.875 02/16/32	10.20%	10.20%	(0.00%)
15 yrs: NGERIA 7.696 23/02/38	10.49%	10.49%	(0.00%)
30 yrs: NGERIA 9.248 01/21/49	10.64%	10.63%	(0.01%)
7.125% ECOTRAN 16/02/26	10.08%	10.21%	+0.13%

Source: FBN UK Runs for 08 January 2024

Nigerian Equities

The Nigerian Equity extended its bullish at the start of the week, with strong demand for TRANSCORP (+9.79%), WAPCO (+9.67%), and FCMB (+9.23%). As a result, the ASI appreciated by 0.83%, settling at 80,328.57 points, while YTD return settled at 7.43%, with total market capitalization at ₦43.96 trillion. Trading activity was positive, as total volume increased by 33.33%, while total value traded increased by 6.48%.

TRANSCORP led both the total volume chart with 298.30 million units and value chart with ₦4.08 billion. All Indices closed in the green. The Banking and Industrial Goods Indices gained 2.23% and 0.67%, while the Consumer Goods and Oil & Gas Indices appreciated by 0.13% and 0.59%, respectively.

Outlook: *We expect market to continue to stir bullish.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by 1.47% (or ₦12.82) to \$/₦856.57 from \$/₦869.39 recorded last Friday.

Outlook: *The volatility is expected to persist in the interim.*

Commodities

Oil declined more than 4% today after Saudi Arabia slashed its prices, raising renewed worries that the market is oversupplied at the same time as demand is weakening. Brent crude was reported at \$75.90 per barrel, and West Texas Intermediate (WTI) at \$70.71 per barrel, as at printing time. Gold prices increased to \$2,040.70 per ounce from the previous day, as of printing time.

Outlook: *We expect oil prices to remain volatile in the interim.*

Top 5 Equity Advancers				
Name (Symbol)	Closing Price	Gain(N)		% Change
OMATEK	0.99	0.09	↑	10.00%
CORNERST	1.87	0.17	↑	10.00%
JBERGER	46.75	4.25	↑	10.00%
JAIZBANK	2.53	0.23	↑	10.00%
LASACO	2.42	0.22	↑	10.00%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)		% Change
DAARCOMM	1.17	-0.12	↓	-9.30%
ETERNA	15.05	-1.45	↓	-8.79%
CWG	8.30	-0.63	↓	-7.05%
PZ	27.00	-2.00	↓	-6.90%
FIDELITYBK	13.35	-0.85	↓	-5.99%

Source: NGX, AIICO Capital

Tickers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 2.96%	↑ 7.43%	↑ 7.43%	↑ 7.43%
NSE Banking Index	↑ 5.92%	↑ 12.75%	↑ 12.75%	↑ 12.75%
NSE Insurance Index	↑ 10.95%	↑ 21.25%	↑ 21.25%	↑ 21.25%
NSE Industrial Goods Index	↑ 1.78%	↑ 4.27%	↑ 4.27%	↑ 4.27%
NSE Consumer Goods Index	↑ 1.14%	↑ 4.53%	↑ 4.53%	↑ 4.53%
NSE Oil & Gas Index	↑ 0.59%	↑ 3.61%	↑ 3.61%	↑ 3.61%

Important Disclaimers

This document has been issued and approved by AIICO Capital and is based on information from various sources that we believe are reliable. However, no representation is made that it is accurate or complete. While reasonable care has been taken in preparing this document, no responsibility or liability is accepted for errors or fact or for any opinion expressed herein. This document is for information purposes only. It does not constitute any offer or solicitation to any person to enter into any trading transaction.

Investments discussed in this report may not be suitable for all investors. This report is provided solely for the information of AIICO Capital clients who are then expected to make their own investment decisions. AIICO Capital conducts designated investment business with market counter parties and customers and this document is directed only to such persons. AIICO Capital accepts no liability whatsoever for any direct or consequential loss arising from any use of this report or its contents. This report is for private circulation only and may not be reproduced, distributed or published by any recipient for any purpose without prior express consent of AIICO Capital. Users of this report should bear in mind that investments can fluctuate in price and value. Past performance is not necessarily a guide to future performance.

AIICO Capital is regulated by the Securities and Exchange Commission, and is licensed to provide fund and portfolio management services in Nigeria.